

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Great Oaks Water Company (U 162-W) for an Order authorizing it to increase rates for water service for its total service area by \$2,811,000 or 35.5% in the year 2003; by \$978,000 or 9.0% in the year 2004; and by \$978,000 or 9.0% in the year 2005; and by \$978,000 or 9.0% in the year 2006.

Application 02-11-048
(Filed November 27, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUIRING CALCULATIONS FOR PROPOSED DECISION**

This ruling directs Great Oaks Water Company (Great Oaks), in consultation with the Office of Ratepayer Advocates (ORA), to update the calculations provided in the Joint Comparison Exhibit, Exhibit 29, use Exhibit 29 to prepare a summary of earnings, adopted quantities, adopted rate base, and income tax calculation for Test Years 2003 and 2004, and to furnish those calculations and tables to the Commission's Water Division. These updated calculations and tables derived from those calculations will assist in the completion of the proposed decision.

Great Oaks shall update the Results of Operations for Test Years 2003 and 2004 in a table that uses the format of Exhibit 29 as modified by the AL 156-W revisions Great Oaks provided on September 26, 2003, but includes the column, Updated Calculation. Great Oaks shall substitute the following figures for the calculations noted, "to be decided." The agreed-on calculations shall remain the

same and auto calculations, computations, and associated calculations shall be performed as indicated in Exhibit 29. The updated calculations are as follows:

| Test Year 2003 | | |
|---------------------------------|-------------------|---------|
| Operating Expenses | | |
| Management Payroll | | 630,000 |
| Groundwater Charges | | 0 |
| T&D Supv & Eng | | 24,814 |
| Hydrant Maintenance | 49.31 per hydrant | |
| New 401K | | 0 |
| Regulatory Commission Expense | | 25,000 |
| Legal vs. City of San Jose | | 0 |
| Public Relations Expense | | 0 |
| Director Fees | | 14,000 |
| Rate Base | | |
| Coyote Pump Station | | 0 |
| County Park Project | | 0 |
| Edenvale/Hayes Project | | 0 |
| Hydrant Replacements | | 0 |
| SCADA System Upgrades | | 114,000 |
| New SCADA sites | | 0 |
| PC Replacements | | 5,000 |
| 1 Supv Truck | | 30,000 |
| Rate of Return on Rate Base | | |
| Return on Equity | | 9.78% |
| Other | | |
| Memorandum Account Amortization | | 0 |
| MTBE Contamination Net Proceeds | 50% CIAC | |

| | | |
|-------------------------------------|---|---------|
| Test Year 2004 | | |
| Operating Expenses | | |
| Office and Field Payroll | | 822,492 |
| Management Payroll | 630,000 times ORA inflation factor for 2004 | |
| Groundwater Charges | | 0 |
| T&D Supv & Eng | | 25,445 |
| Hydrant Maintenance | 49.31 per hydrant | |
| New 401K | | 0 |
| Regulatory Commission Expense | | 25,000 |
| Legal vs. City of San Jose | | 0 |
| Public Relations Expense | | 0 |
| Director Fees | | 14,000 |
| Rate Base | | |
| New Well and Pumping Equipment | | 0 |
| Santa Teresa Project | | 0 |
| Addl 4,290 feet w/o City Facilities | | 0 |
| Hydrant Replacements | | 0 |
| PC Replacements | | 5,000 |
| 2 Rangers, Replacements | | 30,000 |
| 1 Supv Truck, Replacement | | 30,000 |
| Rate of Return on Rate Base | | |
| Return on Equity | | 9.78% |
| Other | | |
| Memorandum Account Amortization | | 0 |
| MTBE Contamination Net Proceeds | 50% CIAC | |

Great Oaks shall also prepare a summary of earnings, adopted quantities, adopted rate base, and income tax calculation for Test Years 2003 and 2004. After Great Oaks updates the calculations and prepares the tables, Great Oaks shall give the draft to ORA for review, and shall submit the agreed-upon calculations to the Water Division and a copy to me at jl原因@cpuc.ca.gov. Great Oaks and ORA will have the opportunity to submit comments under § 311(d) when the

proposed decision issues. The parties shall not use this opportunity to submit comments along with the required calculations.

IT IS SO RULED.

Dated September 30, 2003, at San Francisco, California.

/s/ JANICE GRAU
Janice Grau
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Calculations for Proposed Decision on all parties of record in this proceeding or their attorneys of record.

Dated September 30, 2003, at San Francisco, California.

/s/ HELEN FRIEDMAN
Helen Friedman

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

A.02-11-048 JLG/hf1

(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.